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28 November 1984

MEMORANDUM FOR: Acting NIO/Econ

FROM: Assistant NIO/Econ

I talked with Sid about indicators of a move to less regulated economic structures in LDCs. The attached is a list which I sent to Sid to flesh out. We intend to discuss this with [] when he returns in mid-December. Note that the labor question is out of the scope of the topic, but I am curious to see if there has been any reduction in labor power.

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When we agree on a list, we should circulate it to country analysts for brief explanations of changes on each item over the last decade. Answers to these could lead to some understanding of trends and would, no doubt, lead to a second round of questions.

Any comments, additions, deletions?

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Attachment,
As stated

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A Checklist for Reduced Government Intervention in Domestic Markets

1) State Owned Enterprises

- a) Sale of SOEs
- b) Changes in rate of investment in SOEs as a share of GNP
- c) Change in rate of investment SOEs relative to infrastructure investment

2) Rules for Foreign Investors

- a) Establishment of enterprise zones
- b) Access to domestic capital
- c) Rules on repatriation of capital
- d) Barriers to ownership

Farm Sector

- a) Ratio of final domestic prices to world prices
- b) Taxes on farmers

Exchange Rates

- a) Rules of exchange
- b) Ratio of blackmarket to free market rate

Labor

- a) Non-farm union members compared to total non-farm labor force